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TAGS: <u>PGOV PREL PHUM KDEM KCOR AJ</u>

SUBJECT: FORMER MINISTER FARHAD ALIYEV'S CORRUPTION TRIAL

CONTINUES, WITH NO END IN SIGHT

REF: A. BAKU 1009 <u>1</u>B. BAKU 828 1C. BAKU 664

Classified By: POL/ECON CHIEF JOAN POLASCHIK PER 1.4(B,D).

- 11. (SBU) Fifteen weeks after its May 15 opening session, the trial of former Minister of Economic Development Farhad Aliyev continues, with no end in sight. Aliyev and 18 co-defendants, including his brother, former AzPetrol Head Rafig Aliyev, stand trial on charges of corruption and embezzlement. Since the August 10 update (ref a), not much has changed. The trial has quietly progressed, as Ministry of Economic Development and AzPetrol employees testify on privatization matters. On most days, the courtroom is noticeably less packed than when the trial began (ref c). Other international observers, including representatives of the British Embassy and ABA-CEELI, who had previously been barred access because of a cited lack of space, have not attempted to attend the trial since space has opened up. Other than occasional audible outbursts from Rafig Aliyev, as witnesses testify quietly on the far end of a long, narrow room, the noise of several air conditioners continues to make it difficult for observers to hear the trial proceedings (ref
- ¶2. (SBU) On August 16, Aliyev's defense attorneys presented a petition to judge Hafiz Pashayev, objecting to 487 counts on which Aliyev has been accused of mishandling the privatization of certain properties by taking bribes, embezzling funds, or misappropriating property. Farhad Aliyev, who until recently had remained almost silent for much of the trial, vocalized his objection to allegations that he had privatized certain properties far below market value. Aliyev's defense attorneys also maintain that these 487 instances are properties that were privatized in 2006 or 2007, while Aliyev was in detention, making his involvement impossible.
- 13. (SBU) On August 21, the former Minister scoffed at the ruling Yeni Azerbaijan Party: "They behave as if they know nothing about privatization, and do not have any attitude towards it." Aliyev then accused Presidential Advisor Novruz Mammadov of constructing a private building in a high-profile downtown spot, which Aliyev said he owns with a Nakhchivani businessman. According to Aliyev, Mammadov and the Nakhchivani businessman "gave false testimony" in court. During later sessions, Aliyev said several times that the trial was "pre-arranged" and that nothing he says can change the outcome. In the August 24 session, Farhad and Rafig Aliyev filed a petition to the court to stop pressuring witnesses. The brothers maintain that law enforcement officials have "taught" witnesses what to say in court.
- 14. (C) COMMENT: Aliyev's lawyer's prior prediction that the testimony portion of the trial would wrap up soon has proven to be incorrect. As the trial inches forward, no immediate

end is in sight. While the print media continues to publish brief updates on the trial, Aliyev's case has gotten very little television coverage over the past month, and the general population seems to have very little interest in the proceedings. We will continue to monitor the trial and report on developments. DERSE